

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

Case Name: GIGA WATT, INC.Case Number: 18-03197

**APPLICATION FOR AWARD OF COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES PURSUANT TO 11 USC 330, AND FOR
APPROVAL OF THE PAYMENT OF BANK FEES**

Name of Applicant: MARK D. WALDRONPosition of Applicant: CHAPTER 11 TRUSTEEApplication Number: ONE (1) ☒ Interim ☐ Final

The undersigned applicant applies to the court for an award or allowance of compensation for services rendered and for reimbursement of expenses incurred in the above entitled case pursuant to 11 USC 330 (or USC 331 if an interim application), and for approval of the payment of bank fees pursuant to sections 363 and 503(b). This application is supported by the following information and attached documents.

I. *(If applicant is employee of trustee, debtor in possession or creditors committee)*
Date of Entry of Order Approving Employment: N/A. Trustee appointed on 01/23/19.

II. Dates Covered by this Application: 01/01/2019 to 9/30/2019

III. The name, position, hourly rate, total time spent and amount requested for all compensation for services rendered by each person covered by this application, in connection with this case, is as follows *(if this is the FIRST Application, include ALL time and amounts, both pre- and post-petition in this Application)*:

Name	Position	Hourly Rate	Total Time	Amount Requested
Mark D. Waldron	Chapter 11 Trustee	\$ n/a	n/a	\$ 95,244.26
		\$		\$ 0.00
		\$		\$ 0.00
		\$		\$ 0.00
		\$		\$ 0.00
		\$		\$ 0.00
Totals			0.00	\$ 0.00

IV. Total amount of REIMBURSEMENT of expenses requested by this application in connection with this case *[if this is the FIRST Application, include ALL costs (including filing fees), both pre- and post-petition]*: \$ 5,235.80

V. Total of Compensation and Reimbursement requested: \$ 100,480.06

The Trustee will only pay approved fees if in his good business judgment it is prudent to do so.

- VI. *(If applicant is a trustee)* The maximum amount of compensation allowable under 11 USC 326(a) is: \$ 95,244.26.
- VII. *(If applicant is an employee of trustee, debtor in possession or creditors committee).* All compensation for services rendered and reimbursement of expenses incurred for which award is sought were necessary to the administration of the case, beneficial to the estate, and does not include any unnecessary duplication of services.
☐ Yes ☐ No ☒ N/A *(If answer is NO, attach an explanation.)*
- VIII. *(If applicant is the attorney for the debtor)* All compensation for services rendered and reimbursement for expenses incurred for which award is sought for representing the interests of the debtor(s) were necessary and beneficial to the debtor(s) in connection with the case.
☐ Yes ☐ No ☒ N/A *(If answer is NO, attach an explanation.)*
- IX. Compensation or reimbursement previously received has been shared with another entity, or an agreement or understanding exists between the applicant and any other entity for sharing of compensation received or to be received for services rendered in or in connection with this case, except as a member or regular associate of a firm of lawyers.
☐ Yes ☒ No *(If answer is YES, attach an explanation.)*
- X. Attached to this application, and made part of this application are the following supporting documents:
- ☒ Statement of Money or Property Received or Promised Other than by Applicant *(required in all cases, LF 2016A)*;
 - ☒ Summary Supporting Application for Compensation for Services or Reimbursement of Expenses *(required in all cases, LF 2016B)*;
 - ☒ ~~Itemization of Services Rendered~~ *(required; itemization must be by project category if cumulative compensation exceeds \$10,000)*; **Calculation of Trustee Fees attached.**
 - ☒ Itemization of Expenses *(required)*; and
 - ☒ Narrative Summary *(required if cumulative compensation exceeds \$10,000, LF 2016C)*.
- XI. Bank Fees: \$ 0

The undersigned Applicant states under penalty of perjury that the representations contained in this application and attachments are true and correct to the best of the applicant's knowledge and belief.

DATED: October 7, 2019

Name: Mark D. Waldron
Position: Chapter 11 Trustee
Address: 6711 Regents Blvd., Ste. B., Tacoma WA
Phone: 253-565-5800
Fax: 263-564-2998
Email: mark@mwaldronlaw.com


(Signature of Applicant)

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

Case Name: Giga Watt Case Number: 18-03197

**STATEMENT OF MONEY OR PROPERTY RECEIVED OR PROMISED
IN CONNECTION WITH THIS CASE OTHER THAN BY APPLICATION OR A PLAN**

Name of Applicant: Mark D. Waldron
Position of Applicant: Chapter 11 Trustee
Application Number: One (1)

☒ No Money or property was received or promised ~~other than by application as a part of a Chapter 13 Plan.~~

(a) Money or things of value received other than by application or as part of a Chapter 13 Plan:

(1)	Amount received by attorney or firm for filing fee	\$ <u>0</u>
(2)	Amount received before the order for relief by attorney or firm for services and costs	\$ <u>0</u>
(3)	Amount received after the order for relief by attorney or firm for services and costs	\$ <u>0</u>
(4)	Value of any property or service given to attorney or firm as payment of fees and costs Description:	\$ <u>0</u>
(5)	Total of entries 1, 2, 3 and 4	\$ <u>0.00</u>
(6)	Amount remaining in client trust account	\$ _____

(b) Amount applied to filing fee and services
(Subtract entry (a)(6) from entry (a)(5)) \$ 0.00

(c) Money promised: \$ _____
Nature of arrangement for promise of payment:
None.

(d) Total amount and value of all money or property received or promised other than by Application or a Chapter 13 Plan (items (a)(5) and (c)) \$ 0.00

(e) Other Items (Value and description of any liens, guarantees, security interests or promissory notes): **None.**

(f) Source of Payment of Promise (If other than the debtor, identify entity and relationship to the debtor): **N/A**

STATEMENT OF MONEY OR PROPERTY RECEIVED

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

Case Name: GIGA WATT, INC.Case Number: 18-03197

**SUMMARY SUPPORTING APPLICATION FOR COMPENSATION FOR
SERVICES OR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Mark D. Waldron
 Position of Applicant: Chapter 11 Trustee
 Application Number: One (1)

Sequential #		Applied for	Awarded	Received
A Receipts other than by Application (Transfer from (b) of Application LF 2016A)	Date Compensation Expenses			\$ _____ \$ _____
Prior Application # _____	Date Compensation Expenses	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____
Prior Application # _____	Date Compensation Expenses	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____
Prior Application # _____	Date Compensation Expenses	\$ _____ \$ _____	\$ _____ \$ _____	\$ _____ \$ _____
Present Application (Transfer totals from III & IV of Application) # _____	Date Compensation Expenses	\$ 95,244.26 \$ 5,235.80	To be paid when Trustee determines it is feasible to do so.	
Totals B	Compensation Expenses Total Comp. + Exp.	\$ 95,244.26 \$ 5,235.80 \$ 100,480.06		
			\$ 0.00 \$ 0.00 \$ 0.00	\$ 0.00 \$ 0.00 \$ 0.00

SUMMARY SUPPORTING APPLICATION FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES

**GIGA WATT, INC. CHAPTER 11
CALCULATIONS FOR MARK WALDRON'S TRUSTEE FEES
PURSUANT TO 11 USC §326(a)**

Total disbursements year-to-date as of 9/30/19 were **\$2,399,808.55**, as shown on the attached Operating Statement (Period 01/01/2019 - 09/30/2019). Trustee fees are calculated as follows, pursuant to 11 USC §326(a):

25% of the first \$5,000.00 in disbursements	=	\$ 1,250.00
10% of the next \$45,000.00 in disbursements	=	\$ 4,500.00
5% of the next \$950,000.00 in disbursements	=	\$47,500.00
3% of disbursements in excess of \$1,000,000.00 (\$1,399,808.55)	=	<u>\$41,994.26</u>
TOTAL:		\$95,244.26

In addition, the Trustee has advanced **costs** in the amount of **\$5,235.80** through September 30, 2019, as shown on the attached Expense Worksheet.

Disbursements by month:

May 2019	\$ 368,111.92
June 2019	\$ 505,117.73
July 2019	\$ 458,656.78
August 2019	\$ 372,989.99
September 2019	\$ 456,645.28

Based on disbursements from May through September 2019, the average disbursements are \$432,304.34 per month. The Trustee fee of 3% would be \$12,969.13 per month. (January through April 2019 were no operations or the start-up of operations, so these months are not included in the average.)

Operating Statement

Period: 01/01/19 - 09/30/19

<u>Income</u>	
4001-000 Revenue from Operating Business	\$2,074,240.85
4002-00 Rents	\$54,000.00
4007-000 Liquidation of Personal Property	\$2,427.75
4009-000 Litigation and Settlements	\$42,576.00
4099-000 Other Receipts	\$297,835.18
Total Income	\$2,471,079.78
<u>Expenses</u>	
6001-000 US Trustee Fees	\$13,897.23
6003-000 Admin. Rent	\$1,781,683.90
6004-000 Costs to Secure/Maintain Property	\$61,603.87
6006-002 Taxes - State	\$27,239.78
6007-000 Professional Fees & Expenses	\$350,842.08
6010-000 Other Expenses	\$164,541.69
Total Expenses	\$2,399,808.55
Net Income	\$71,271.23

Expense Worksheet
Period: 01/01/19 - 09/30/19
Trustee: Mr. Mark D. Waldron (670070)

Case Number: 18-03197-FPC11**Case Name:** GIGA WATT INC.**Case Type:** Trustee**Open Date:** 01/23/19

<u>Date</u>	<u>Description</u>	<u>Hours/Unit</u>	<u>Rate</u>	<u>Total</u>
01/28/19	Mileage for 1-28-19 to 1-29-19: Personal vehicle from Tacoma to Moses Lake; Moses Lake to Wenatchee; round trip from Wenatchee to Rock Island; return to Tacoma from Wenatchee.	433.00	\$0.580	\$251.14
01/28/19	Coast Wenatchee Center Hotel.	1.00	\$133.280	\$133.28
01/28/19	Lunch meeting with Pamela Egan in Ephrata (per 2019 GSA per diem allowance).	2.00	\$14.000	\$28.00
01/29/19	Notice of Application for Order Approving Employment of Counsel for Chapter 11 Trustee (CKR Law) for mailing to all parties not receiving ECF notification.	68.00	\$0.200	\$13.60
01/29/19	Postage for mailing Notice to Employ Counsel for Chapter 11 Trustee (CKR Law) to all parties.	68.00	\$0.500	\$34.00
01/29/19	Premium paid to International Sureties, Ltd. for Trustee's bond.	1.00	\$500.000	\$500.00
01/29/19	Breakfast in Wenatchee (per 2019 GSA per diem allowance).	1.00	\$13.000	\$13.00
01/29/19	Meeting for coffee with Pam Egan and Giga Watt employees in East Wenatchee.	1.00	\$11.490	\$11.49
02/05/19	Coast Wenatchee Center Hotel (2-5-19 and 2-6-19).	1.00	\$221.520	\$221.52
02/05/19	Overnight parking at SeaTac Airport ,	1.00	\$60.000	\$60.00
02/05/19	Rental car (Budget) in Wenatchee.	1.00	\$70.770	\$70.77
02/05/19	Dinner meeting with Lauren Miehle (consultant) and Pam Egan (attorney) in Wenatchee (per 2019 GSA per diem allowance).	3.00	\$23.000	\$69.00
02/05/19	Breakfast at airport in Seattle (per 2019 GSA per diem allowance).	1.00	\$13.000	\$13.00
02/05/19	Mileage round-trip (Tacoma to SeaTac Airport).	56.00	\$0.580	\$32.48
02/05/19	Round-trip airfare from Seattle to Wenatchee.	1.00	\$389.590	\$389.59
02/06/19	Notice of Application for Order Approving Employment of Consultant for Trustee (Lauren Miehle) to send to all parties not receiving ECF notifications.	68.00	\$0.200	\$13.60
02/06/19	Postage for mailing Notice of Application to employ Lauren Miehle as Consultant to Trustee to all parties.	68.00	\$0.500	\$34.00
02/06/19	Fuel charges for rental car in Wenatchee.	1.00	\$4.310	\$4.31

Expense Worksheet
Period: 01/01/19 - 09/30/19
Trustee: Mr. Mark D. Waldron (670070)

Case Number: 18-03197-FPC11**Case Name:** GIGA WATT INC.**Case Type:** Trustee**Open Date:** 01/23/19

02/06/19	Lunch meeting with Lauren Miehe and Pam Egan in Wenatchee (per 2019 GSA per diem allowance).	3.00	\$14.000	\$42.00
02/06/19	Breakfast in Wenatchee (per 2019 GSA per diem allowance).	1.00	\$13.000	\$13.00
02/06/19	Dinner in Wenatchee (per 2019 GSA per diem allowance).	1.00	\$23.000	\$23.00
02/26/19	Notice of Application for Order Approving Employment of Consultants (Douglas Pratt and Allen Oh) to send to all parties not receiving notification by ECF.	195.00	\$0.200	\$39.00
02/26/19	Postage for mailing Notice of Application to employ Douglas Pratt and Allen Oh as Consultants to Chapter 11 Trustee to all parties.	195.00	\$0.500	\$97.50
03/21/19	Tacoma Rubber Stamp Co., for Giga Watt stamp.	1.00	\$59.850	\$59.85
04/05/19	Overnight mail to MLDC I, LLC (payment pursuant to agreement).	1.00	\$37.750	\$37.75
04/08/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
04/15/19	Round trip mileage to meeting with Randy Prince, Eco Diversified Holdings, to discuss Giga Watt history.	8.00	\$0.580	\$4.64
04/15/19	Parking charges at meeting with Eco Diversified Holdings.	1.00	\$2.000	\$2.00
04/29/19	Mileage charges for 4-29-19 and 4-30-19: Travel from Tacoma to East Wenatchee; to Rock Island facility; to Moses Lake facility; Back to Wenatchee; and back to Tacoma. Meetings with consultants, touring facilities, meeting with Moses Lake landlords, etc.	489.00	\$0.580	\$283.62
04/29/19	Lunch meeting with consultant Lauren Miehe in East Wenatchee (per 2019 GSA per diem allowance).	2.00	\$14.000	\$28.00
04/29/19	Dinner in Wenatchee (per 2019 GSA per diem allowance).	1.00	\$23.000	\$23.00
04/29/19	Coast Wenatchee Hotel charge.	1.00	\$135.400	\$135.40
04/30/19	Breakfast in Wenatchee (per 2019 GSA per diem allowance).	1.00	\$13.000	\$13.00
04/30/19	Fuel charges (76 Gas Station, Wenatchee)	1.00	\$49.470	\$49.47
05/01/19	PACER fees charged in Giga Watt proceeding from	1.00	\$181.000	\$181.00

Expense Worksheet
Period: 01/01/19 - 09/30/19
Trustee: Mr. Mark D. Waldron (670070)

Case Number: 18-03197-FPC11**Case Name:** GIGA WATT INC.**Case Type:** Trustee**Open Date:** 01/23/19

1-1-19 through 3-31-19.

05/08/19	Overnight mail to Lauren Miehe in East Wenatchee (payment of invoices).	1.00	\$36.070	\$36.07
05/22/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
05/22/19	Dinner meeting with attorney Pam Egan to prepare for injunction hearing on 5/23/19 in Spokane (per 2019 GSA per diem allowance).	2.00	\$23.000	\$46.00
05/22/19	Hotel charges in Spokane (The Davenport Lusso).	1.00	\$253.700	\$253.70
05/22/19	Round-trip airfare from Seattle to Spokane for injunction hearing on 5/23/19.	1.00	\$336.610	\$336.61
05/22/19	Lyft ride from Spokane airport to hotel (\$19.94) on 5/22/19; return ride from hotel to airport (\$20.00) on 5/23/19.	1.00	\$29.940	\$29.94
05/23/19	Breakfast in Spokane (per 2019 GSA per diem allowance).	1.00	\$13.000	\$13.00
05/23/19	Lunch in Spokane (per 2019 GSA per diem allowance).	1.00	\$14.000	\$14.00
05/23/19	Dinner in Spokane (per 2019 GSA per diem allowance).	1.00	\$23.000	\$23.00
05/23/19	Overnight airport parking charges.	1.00	\$27.500	\$27.50
06/03/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
06/07/19	Overnight mail to TNT Business Complexes (payment of rent for June 2019).	1.00	\$52.970	\$52.97
06/14/19	Parking at Sea-Tac Airport (meeting with Douglas County PUD in Wenatchee).	1.00	\$30.000	\$30.00
06/14/19	Round-trip mileage charges from Tacoma to Sea-Tac Airport.	35.00	\$0.580	\$20.30
06/14/19	Round-trip airfare from Seattle to Wenatchee (meeting with Douglas County PUD).	1.00	\$394.010	\$394.01
06/17/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
06/17/19	Parking at Sea-Tac airport (meeting with David Carlson in Spokane).	1.00	\$30.000	\$30.00
06/17/19	Round-trip mileage charges from Tacoma to Sea-Tac Airport.	35.00	\$0.580	\$20.30

Expense Worksheet**Period: 01/01/19 - 09/30/19****Trustee: Mr. Mark D. Waldron (670070)****Case Number:** 18-03197-FPC11**Case Name:** GIGA WATT INC.**Case Type:** Trustee**Open Date:** 01/23/19

06/17/19	Lyft charges from Spokane airport to Piskel's office for meeting with David Carlson.	1.00	\$20.620	\$20.62
06/17/19	Lyft charges from meeting at Piskel's office (with David Carlson) to Spokane airport.	1.00	\$20.630	\$20.63
06/17/19	Round-trip airfare from Seattle to Spokane (meeting with David Carlson).	1.00	\$411.000	\$411.00
07/01/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
07/15/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
07/24/19	Travel to Department of Revenue (Tacoma office) to file returns and pay taxes.	6.00	\$0.580	\$3.48
07/29/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
08/13/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
08/21/19	Priority mail to Department of Revenue.	1.00	\$6.950	\$6.95
08/27/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
09/16/19	Postage for mailing 2018 Corporate Tax Return to Ogden (and a copy to Philadelphia for prompt determination).	2.00	\$1.450	\$2.90
09/23/19	Priority 2-day mail to Lauren Miehe (payment of invoices).	1.00	\$6.950	\$6.95
09/24/19	Round-trip airfare to Spokane for hearing.	1.00	\$296.610	\$296.61
09/24/19	Charge for flight change.	1.00	\$25.000	\$25.00
09/24/19	Lyft charges from Spokane airport to the courthouse.	1.00	\$20.660	\$20.66
09/24/19	Uber charges from courthouse to Spokane airport.	1.00	\$23.420	\$23.42
09/24/19	Uber charges from SeaTac airport to Tacoma.	1.00	\$77.620	\$77.62
09/24/19	Parking at SeaTac Airport.	1.00	\$5.000	\$5.00

Total for case 18-03197-FPC11: \$5,235.80**Grand Total: \$5,235.80**

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

Giga Watt, Inc.

Case Name: _____ Case Number: 18-03197

NARRATIVE SUMMARY
(Required by LBR 2016-1(b)(1)(A) where
requested compensation exceeds \$10,000.00)

Name of Applicant: Mark D. Waldron
Position of Applicant: Chapter 11 Trustee
Application Number: One (1)

I. Background of the Case:

The Debtor is a crypto-currency mining operation. The Trustee was appointed on Jan. 23, 2019 on the motion of the Creditors' Committee. Operations were defunct upon the Trustee's appointment. Now the Debtor has opened all the Debtor's facilities.

II. Financial Condition of the Estate:

A. **Profit and Loss:** 71,721.23
B. **Amount of Cash on Hand or on Deposit:** \$95,244.26
C. **Amount of Accrued Unpaid Administrative Expenses:** \$600,000 (prof'al fees)
D. **Amount of Unencumbered Funds in the Estate:** \$71,721.23

III. Status of the Case:

The Court recently approved on a final basis financing to re-open the TNT Facility. The Trustee has agreed to mediation in the adversary proceeding against David M. Carlson and Clever Capital LLC.

IV. Description of Tasks or Projects for which Compensation is Sought:

Rehabilitating and managing the Debtor's business operations; negotiating credit agreements; analyzing claims; obtaining preliminary injunction against Debtor's CEO; paying down administrative expenses and keeping Debtor and case in compliance with all applicable laws and requirements.

V. If a Chapter 11 Case:**A. Status of the Plan and Disclosure Statement:**

After the TNT Facility is fully operational, the Trustee will be in a position to begin formulating a Plan. The exclusivity period has expired.

B. Status of Submission of Monthly Operating Statements:

The Trustee is current with all Monthly Operating Statements
\$26,780.15: \$13,897.23 as of
9/30/19 plus \$12,882.92 paid
on 10/1/19.

C. Payment of Quarterly U.S. Trustee Fees: _____

VI. Other Information: The Trustee will only pay approved fees when in his business judgment it is appropriate to do so.